

REPUBLIC OF LIBERIA)
MONTSERRADO COUNTY)

THIRD PARTY FOREST MANAGEMENT AGREEMENT

THIS THIRD PARTY FOREST MANAGEMENT AGREEMENT, made and entered into this 25 day of JANUARY A. D., 2019 by and between GBARSAW AND DORBOR COMMUNITY FOREST MANAGEMENT BODY, representing GBARSAW AND DORBOR COMMUNITY FOREST located in Norwein, and Central Rivercess Districts, Rivercess County, hereinafter known and referred to as the "Community", and African Wood & Lumber Company, a Corporation organized and existing under the Laws of the Republic of Liberia, represented by its Chief Executive Office (CEO), _____, hereinafter known and referred to as "Company", hereby:

WITNESSETH

WHEREAS, the people of GBARSAW AND DORBOR COMMUNITY are the owners of the GBARSAW AND DORBOR Community Forest in Norwein, and Central Rivercess Districts, Rivercess County; and

WHEREAS, the people of GBARSAW AND DORBOR Community Forest have entered into an agreement with the Government of Liberia, by and through the Forestry Development Authority for the sustainable management and use of its forest resources in line with the Forestry Laws of Liberia; and

WHEREAS, the people of GBARSAW AND DORBOR Community Forest have expressed their readiness to offer their forest for Commercial purposes in line with the requirements of the Community Rights Laws with Respect to Forest Lands, the Community Rights Law Regulations, the National Forestry Reform Law of 2009 and its attending regulations; and

WHEREAS, African Wood & Lumber Company is a duly registered and qualified Company with a Pre-Qualification Certificate to engage directly or indirectly in logging in the Republic of Liberia; and

WHEREAS, African Wood & Lumber Company has represented to the people of GBARSAW AND DORBOR Community Forest through the GBARSAW AND DORBOR Community Forest Management Body that it is disposed to manage their Community Forest for commercial purpose to further the development of the people of GBARSAW AND DORBOR Community Forest; and

WHEREAS, GBARSAW AND DORBOR COMMUNITY FOREST MANAGEMENT BODY has consented and determined it to be in the best interest of the people of GBARSAW AND DORBOR COMMUNITY FOREST for AFRICAN WOOD & LUMBAR COMPANY to commercially manage their forest under this Third Party Community Forest Management Agreement.

NOWHEREFORE, for and in consideration of the premises, mutual promises, covenants and agreements herein contained, the Parties hereby agree as follows:

1. COMMUNITY FOREST AREA

The Community Forest Management area for the purpose of this Agreement is situated in Rivercess County, Republic of Liberia and covers a total area of 21,230 hectares/ 52,461 acres as detailed in the attached Annex A.

2. DURATION OF AGREEMENT

This Third Party Forest Management Agreement shall be in full force and effect for a period of five (5) years which shall commence immediately upon the signing of this Agreement between the GBARSAW AND DORBOR COMMUNITY FOREST MANAGEMENT BODY (G&D CFMB) and AFRICAN WOOD & LUMBAR COMPANY. It is agreed by the parties that upon the termination of this agreement after the five (5) years, the Community shall have the right to

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make any further determination as to the use of their forest. It is mutually understood that this Third Party Agreement and its implementation shall be subject to renewal after the five (5) years period.

3. FISCAL CONSIDERATION

The Parties hereto have made the following fiscal considerations for this Third Party Forest Management Agreement:

- 3.1 **African Wood & Lumbar Company** shall upon signing of the Social Contract pay the land rental to the community and FDA for an amount of US\$ 1.25 (United States Dollars One 25/100) per hectare annually. The payment will be executed by check of which 55% will be deposited in the CFMB Account and 45% will be paid to FDA. The **African Wood & Lumbar Company** shall inform **GBARSAW & DORBOR CFMB** of its payment of the Land rental at the time of each payment.
- 3.2 **African Wood & Lumbar Company** shall pay the amount of US\$ 2.00 (United States Dollars Two) as cubic meter fee (benefit) to the Community for every cubic meter of logs harvested and transported by Waybill and an additional (\$2.25 USD) for Social Development Fund to be managed by the community for infrastructure purposes within the affected communities, thereby relieving the **African Wood and Lumbar Company** of all the responsibilities of implementing any project thereof for the duration of the contract. The amount of \$2.25 USD allotted by the company for Social Development Projects will be implemented by the CFMB base on projects selected by the affected communities and receipt and profiles of implemented projects will be submitted to the company for its record. **African Wood & Lumbar Company** shall furnish the **GBARSAW & DORBOR CFMB** with copies of Log Data Form (LDF), which shall serve as the official source to determine actual volume felled. Payment of all royalties or fees due the Community (excluding land rental) shall be deposited directly into the Community's bank account. The Community shall furnish **African Wood & Lumbar Company** with its bank's account number and other banking information required for such deposit(s).

4. REQUIREMENTS BEFORE COMMERCIAL FELLING

It is mutually understood and agreed by **African Wood & Lumbar Company** and **GBARSAW & DORBOR CFMB** that no commercial felling shall commence until the completion of all pre-felling requirements established by the FDA. .

5. SOCIAL AGREEMENT

The people of **GBARSAW AND DORBOR COMMUNITY FOREST**, having identified their representative body, firstly the **GBARSAW AND DORBOR COMMUNITY ASSEMBLY** and the **GBARSAW AND DORBOR COMMUNITY FOREST MANAGEMENT BODY (G&D CFMB)**, to represent them in accordance with the Community Rights Law with Respect to Forest Land and its regulations, shall ensure no other person outside of the **GBARSAW & DORBOR CFMB** shall in anyway represent himself/herself/themselves as the authorized representatives of the people of **GBARSAW AND DORBOR COMMUNITY FOREST** in relation to any terms of this Agreement, including financial payments or social obligations. It is mutually understood and agreed by **AFRICAN WOOD & LUMBAR COMPANY** and **GBARSAW & DORBOR CFMB** that:

1. **GBARSAW & DORBOR CFMB** has the power to negotiate on all affected community's behalf.
2. **GBARSAW & DORBOR CFMB** shall provide a list of its members and be responsible to inform **African Wood & Lumbar Company** of any change to its membership immediately.
3. **GBARSAW & DORBOR CFMB** and **African Wood & Lumbar Company** hereby agree and stipulate that the social commitment to the people of **GBARSAW AND DORBOR COMMUNITY FOREST** shall follow the guidelines as prescribed by the Forestry Development Authority.

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4. **GBARSAW & DORBOR CFMB** agrees to inform **AFRICAN WOOD & LUMBAR COMPANY** of all relevant traditional practices and regulations to ensure compliance.
5. **GBARSAW & DORBOR CFMB** agrees to ensure that water collection points are protected and maintained. **African Wood & Lumbar Company** agrees to construct two roads and maintain all operational and access roads related to its operations. The two roads be constructed will include the road leading from Bantoe Town to Chenwon Town and the road leading from Garpue Town to Porkpe-Chenwon Town. These roads will be constructed within the First, Second and Third year of AWLC operations.
6. **GBARSAW & DORBOR CFMB** agrees that it shall operate completely within the guidelines and regulations prescribed by Forestry Development Authority.
7. **GBARSAW & DORBOR CFMB** agrees that the Community shall be educated to avoid the expansion of subsistence agriculture activities within the commercial area and that whenever necessary assist any existing agricultural activity to relocate.
8. **GBARSAW & DORBOR CFMB** agrees to educate the community to discourage unnecessary fire disposal and encourage fire safety practices especially in contract area.
9. **GBARSAW & DORBOR CFMB** agrees to educate the entire community that once any road and bridge is constructed, it becomes the responsibility of the Community and **African Wood & Lumber Company** to maintain them. The Community's responsibility of road maintenance shall be limited to road side brushing.
10. **AFRICAN WOOD & LUMBER COMPANY** agrees that its timber operations shall be timed to prevent disruption to subsistence agricultural activities during logging season. In the case where existing cash crops are damaged during the company's operation, negotiation shall be directly between the cash crop Owner and the company with the Ministry of Agriculture leading the negotiation for settlement.
11. **AFRICAN WOOD & LUMBER COMPANY** agrees that its timber operations shall respect the existing cash crops within the Community Forest Management Area.
12. **AFRICAN WOOD & LUMBER COMPANY** agrees to participate substantially in community development programs, such as human resource development, construction of roads, etc....
 - A. **Roads:** The Company shall construct two roads and maintain all operational and access roads related to its operations. The two roads be constructed will include the road leading from Bantoe Town to Chenwon Town and the road leading from Garpue Town to Porkpe-Chenwon Town. These roads will be constructed within the First, Second and Third year of African Wood & Lumber Company operation.
 - B. **Human Resource:** **AFRICAN WOOD & LUMBER COMPANY** shall provide **US\$5,000.00** annually to the community for capacity building for the citizens of the affected communities. This payment will be made thirty (30) days from the signing of the contract and the remaining years of the contract period, the amount for human resource development will be paid in August of each year for the duration of the Contract.
13. **AFRICAN WOOD & LUMBER COMPANY** agrees to provide first preference for employment of skilled and unskilled locals from the affected communities upon the commencement of the Company's operations, however, if the education, skills or expertise to occupy such position requested by the company is not available in the affected communities, the African Wood and Lumber Company will sought individuals within the Republic of Liberia with such education, skills and expertise to assumed those positions by recruiting them.

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14. **AFRICAN WOOD & LUMBER COMPANY** agrees not to stop nor interfere with traditional practices such as taboo day, sacred sites, and the range of taboo animals/plants, medical plants sites, hunting grounds, including non-timber forest sites.
15. **AFRICAN WOOD & LUMBER COMPANY** agrees to build and maintain camps near its operations areas for the convenience of its operation when works commence.
16. **AFRICAN WOOD & LUMBER COMPANY** agrees not to harvest palm trees for processing, bridge construction and/or export.
17. **AFRICAN WOOD & LUMBER COMPANY** agrees that the Community shall use, free of charge, any roads constructed and/or maintained by **African Wood & Lumber Company** provided, however, that such use shall not unduly prejudice or interfere with either party.
18. **AFRICAN WOOD & LUMBER COMPANY** agrees to allow the **Gbarsaw & Dorbor Community Forest Management Body (G&D CFMB)** representatives to be named for verification of its production when works commences in the area.
19. **AFRICAN WOOD & LUMBER COMPANY** agrees to provide first preference for employment of skilled and unskilled labor to the dependent communities in the boundaries of the commercial logging area. Said preference will include some driving positions such as Truck and Machinery of logging operations, power saw operators, tree finders, etc base on competence. All of such preferential employment shall be made consistent with the Labor Laws of Liberia.
20. **AFRICAN WOOD & LUMBER COMPANY** agrees to provide timber to the community upon request by the **CFMB** during community development projects.
21. **AFRICAN WOOD & LUMBER COMPANY** agrees to supply the **Gbarsaw & Dorbor Community** through the **CFMB** with two power saws after three months from the signing of this agreement. Additionally **AWLC** at its own expense agrees to provide the Community with one sawmill, wood mizer L40 or similar during the third year of operation. The **Gbarsaw & Dorbor CFMB** will be responsible to negotiate with the Government of Liberia for tax exemption and charges during the importation of the saw mill into Liberia. The **Gbarsaw & Dorbor Community Forest CFMB** will also be responsible for the installation of the saw mill.
22. **AFRICAN WOOD AND LUMBER COMPANY** agrees to respect the rights and wellbeing of its employees consistent with the labor laws of Liberia.
23. **AFRICAN WOOD & LUMBER COMPANY** agrees to convene quarterly meetings with the **Gbarsaw & Dorbor CFMB** and the communities on the last Friday of the last month of each quarter (subject to weather conditions). In addition to quarterly meetings, the **AFRICAN WOOD & LUMBER COMPANY** shall hold emergency meetings with **GBARSAW & DORBOR CFMB** and affected communities to discuss any issues affecting the community when the need arises.
24. **AFRICAN WOOD & LUMBER COMPANY** agrees to afford equal opportunities for the employment of women in the skilled and unskilled labor force in the commercial logging area.

6. NON-TIMBER FOREST PRODUCTS

All non-timber forest products within the commercial logging area shall remain the property of the **GBARSAW & DORBOR COMMUNITY FOREST**. No non-timber forest product shall be extracted by **AFRICAN WOOD & LUMBER COMPANY** for commercial purposes without the written consent of the **GBARSAW & DORBOR CFMB**.

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7. OBLIGATIONS OF AFRICAN WOOD & LUMBER COMPANY

- 7.1 **AFRICAN WOOD & LUMBER COMPANY** must ensure that all of its operations and activities are in full compliance with the laws of Liberia.
- 7.2 **AFRICAN WOOD & LUMBER COMPANY** must ensure respect for all local customary laws.
- 7.3 **AFRICAN WOOD & LUMBER COMPANY** must ensure transparent reporting on cubic meter fees to **GBARSAW & DORBOR CFMB** at all times during the life of this Agreement.

8. OBLIGATIONS OF GBARSAW AND DORBOR COMMUNITY FOREST

- 8.1 The community shall ensure that the **GBARSAW & DORBOR CFMB** shall be the sole entity responsible for official interaction with **AFRICAN WOOD & LUMBER COMPANY**, to avoid any misunderstanding.
- 8.2 The community shall ensure that it performs and maintains full education and information to its clan members to avoid confusion arising from operation.
- 8.3 The Community must ensure full access by **AFRICAN WOOD & LUMBER COMPANY** to the contracted area at all times for the duration for this Agreement.
- 8.4 The Community shall protect **AFRICAN WOOD & LUMBER COMPANY** from any challenges to its right to manage the contractual area, whether legal, cultural or otherwise, that may arise during the life of this agreement.
- 8.5 The Community shall ensure that materials, such as sand, gravel, etc., be made available without charge of any kind for **AFRICAN WOOD & LUMBER COMPANY** use for building camp sites, housing units, building and road work within the community forest area.
- 8.6 The Community agrees to block the expansion of subsistence agriculture activities within the contract area. Hence, Community shall promote and encourage low land agriculture development.
- 8.7 The Community agrees to discourage unnecessary fire disposal and encourage fire save practices especially in the contract areas.
- 8.8 Existing cash/food crops will be identified and the company will be informed duly by the community not to conflict with the company's harvest operation.
- 8.9 The community agrees to channel all her grievances through the CFMB and shall abide by this Social Agreement.
- 8.10 In case of any controversy between the community and the company for reason, the operations shall be stopped and an immediate negotiation will be implemented to mitigate the cause of the problem.
- 8.11 PIT Sawing is not allowed ahead of **African Wood Lumber Company's** operation, concerning block already exploited and closed by **African Wood Lumber Company** will belong to the community to assign the right for Pit sawing operation.

9. FORCE MAJEURE

The parties mutually agree that in the event **AFRICAN WOOD & LUMBER COMPANY** is prevented from performing this Agreement as contemplated and provided herein due to force majeure, this Agreement shall be extended by the period of such force majeure on the request of **AFRICAN WOOD & LUMBER COMPANY**. Force majeure as used herein is defined as any event beyond the reasonable control of **AFRICAN WOOD & LUMBER COMPANY**, including, but not limited to Acts of God, war, elements of war, civil commotions, armed incursion, armed insurrection, land dispute(s) and fire not attributed to the conduct or negligence of **AFRICAN WOOD & LUMBER COMPANY** management, its agent and affiliate, which **AFRICAN WOOD & LUMBER COMPANY** could not have reasonably anticipated or could have been expected to prevent or control.


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10. DISPUTE SETTLEMENT

- 10.1 Any dispute connected with the formation, performance, interpretation, nullification, termination or invalidation of this agreement or arising from, or related to this agreement in any manner whatsoever which cannot be resolved through the direct consultations and negotiations by and between the parties shall be referred to arbitration by the affected party
- 10.2 Arbitration shall be conducted by an arbitral panel of three (3) persons; one (1) arbitrator shall be named by each party. The third arbitrator, who shall act as chairman of the arbitral panel, shall be the Managing Director of the Forestry Development Authority or his/her designated representative
- 10.3 The Arbitration shall be conducted in keeping with arbitral rules under Liberian laws. Each Party shall be responsible for, and shall pay the fees expenses of its appointed/designated arbitrator. The fees and expenses of the third arbitrator shall be shared on equal basis by the parties, while the cost and expenses of the arbitration proceeding itself shall be assigned by the arbitral as it fit and shall be paid by the party adjudged liable to the other or in default of Agreement.
- 10.4 A decision by the majority of the arbitral panel shall be binding on the parties and enforceable in court of law without delving into the merit of the dispute or the award
- 10.5 In invoking arbitration, a party of this Agreement shall give written notice to other party, stating the nature of the dispute and appointing its arbitrations. The other party must appoint its arbitrator and state its responses to the dispute as stated by the party giving the notice of arbitration within ten (10) days after notice to the chairman, the arbitral panel shall commence its work and shall work every day until a decision is arrived at and rendered.

11. GOVERNING LAW

The relevant laws of Liberia, including, but not limited to, the National Forestry Reform Law, Community Rights Forest Law with Respect to Forestlands and other local laws shall govern this agreement.

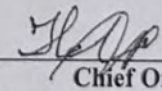
12. BINDING EFFECT

This Agreement shall be binding on the parties, their successors in office as if they were physically present at the execution of this instrument.

IN WITNESS WHEREOF, WE HAVE HEREUNTO AFFIXED OUR SIGNATURES ON THE DAY AND DATE FIRST MENTIONED ABOVE.

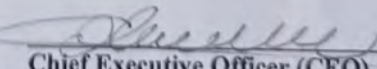
For: The Gbarsaw & Dorbor
Community Forest Management
Body (G&D CFMB)

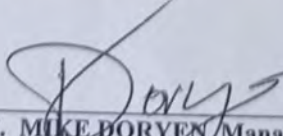
WITNESS

By: 
Chief Officer
Gbarsaw & Dorbor Community
Forest Management Body (CFMB)

For: African Wood & Lumber Company.

WITNESS

By: 
Chief Executive Officer (CEO)
AFRICAN WOOD & LUMBER COMPANY

Attested by: 

C. MIKE BORYEN, Managing Director
Forestry Development Authority

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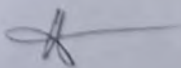
Annex A

TECHNNICAL DESCRIPTION OF GBARSAW & DORBOR COMMUNITY FOREST LANDS

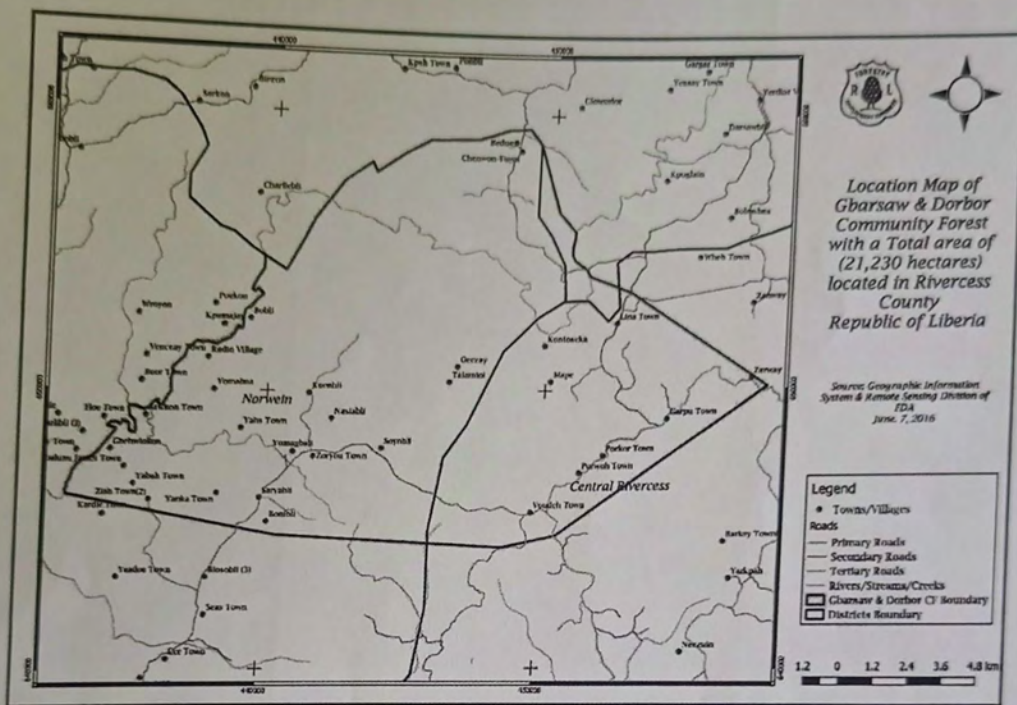
The GBARSAW & DORBOR Community Forest boundaries are as follows:
Gbarsaw and Dorbor Community Forest Metes and Bounds

The Gbarsaw and Dorbor Community Forest lies within Latitude 432797 660051 North of the equator and Longitude 432683 643252 West of the Greenwich Meridian and it is located in Norwein, and Central Rivercess Districts, Rivercess County, Liberia/West Africa.

Commencing at a point (29 N 433063 646252) on the Jo River; Thence a line runs Northward along said River for 15,363 meters to a point (439693 654791); thence a line runs S 62° E for 966 meters to a point (440486 654305); thence a line runs N 24° E for 2,092 meters to a point (441413 656158); thence a line runs N 35° E for 1,770 meters to a point (442428 657569); thence a line runs N 50° E for 1,287 meters to a point (443354 658231); thence a line runs S 21° E for 483 meters to a point (443530 657878); thence a line runs N 52° E for 1,287 meters to a point (444545 658584); thence a line runs N 58° E for 1,127 meters to a point (445427 659069); thence a line runs N 88° E for 1,770 meters to a point (447192 659113); thence a line runs N 74° E for 1,127 meters to a point (448251 659466); thence a line runs N 83° E for 805 meters to a point (449001 659510); thence a line runs S 37° E for 805 meters to a point (449442 658937); thence a line runs S 17° E for 2,575 meters to a point (450225 656438); thence a line runs S 43° E for 966 meters to a point (450838 655744) on the Jo River; thence a line runs along said river for 1,911 meters to a point (451433 654123); thence a line runs S 67° E for 1,770 meters to a point (452959 653538); thence a line runs S 56° E for 6,115 meters to a point (457970 650108); thence a line runs S 54° W for 9,173 meters to a point (450591 644762); thence a line runs S 79° W for 2,092 meters to a point (448654 644344); thence a line runs N 86° W for 8,369 meters to a point (440465 644817); thence a line runs N 79° W for 7,564 meters to the point of Commencement, embracing a total area of 21,230 hectares/ 52,461 acres of Forestland and NO MORE.


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MAP OF GBARSAW AND DORBOR COMMUNITY FOREST



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